Problem of the Handloom and Powerloom Sectors in the country

2197. SHRI SURESH PACHOURI: Will the Minister of TEXTILES be pleased to state:

(a) the problems being faced by handloom and powerloom sectors in the country;

(b) the steps taken by Government to solve these problems; and

(c) how the handloom and powerloom sectors workers are benefited by Government's policies?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) The main problems faced by the Handloom sector have been traditional production technique and low level of technology and skills, lack of modernization and Research and Development efforts, lack of adequate and timely supply of inputs like yarn, dyes & chemicals, non-availability of adequate and timely credit facilities on concessional rate of interest.

So far as powerloom sector is concerned, the problems being faced are technological obsolescence, small size of units with fragmentation, lack of credit availability, poor marketability, low level of skill and poor quality consciousness.

(b) Looking into various problems being faced by the handloom sector, the Government have been implementing various schemes for the promotion and development of the handloom sector. The schemes include Development of Exportable Products and their Marketing, conducting Expos and Fairs, Welfare Schemes *viz.* Workshed-cum-Housing, Health Package, Group Insurance, Thrift Fund and New Insurance etc. A new Scheme, namely Deen Dayal Hathkargha Protsahan Yojana has also been introduced in 2000-2001 to cover entire gamut of activities from basic inputs and working capital to provisions of design, marketing, publicity etc. Apart from this, Government has set up National Centre for Textile Design (NCTD) to collate and disseminate all information related to textile weave, fabric, colour, design etc. to act as an electronic and regular forum to give the weavers design and marketing exposure. The Government has also promulgated the Handloom (Reservation of Articles for Production) Act, 1985 under which at present 11 categories of textile articles are exclusively reserved for production on handlooms.

In order to give continued protection to the handloom weavers, the State Governments have been instructed to arrange distribution of hank yarn to handloom weavers, free of excise duty (CENVAT) through designated organizations which could claim reimbursement of the incidence of CENVAT borne by them on such yarn from the Government of India.

The Hon'ble Prime Minister had also announced in his address to the nation on August 15, 2002, the facility of a one time special rebate @ 10% of the value of the handloom products sold, so as to enable the handloom sector to dispose of their stock and kick-start this employment intensive industry by reviving its production cycle. For this, a sum of Rs.100 crore was announced. The State Governments have already been instructed to take advantage of this rebate and prefer their claims for reimbursement of the rebate amounts. The Prime Minister had also announced a scheme with an outlay of Rs.125 crore, for imparting training to 1 lakh weavers/artisans so as to enhance their skill and marketing/ managerial capabilities. Further, a special contributory insurance scheme for 1 Million weavers/artisans combining the Jan Shree Bima Yojana of the Life Insurance Corporation of India with Group Insurance was also announced.

So far as powerloom sector is concerned, the Government has initiated a programme of modernization with induction of 50,000 shuttleless looms, and of 2.5 lakh semi-automatic and automatic looms in the decentralized powerloom sector. The TUFS has been modified so that the small-scale textile sector including the powerloom sector has been given an option for either 12% Upfront Credit Linked Capital Subsidy or the existing 5% interest reimbursement.

The Government has also undertaken modernization and upgradation of Powerloom Service Centres (PSC), by providing upgraded equipment and Computer Aided Design (CAD) facility. The Government has also accepted the recommendations of a three-member committee of the Ministry of Textiles, for streamlining of management and supervision of PSCs, providing infrastructure and enhanced grant in aid.

Welfare measures such as the Group Insurance Scheme and Worksheds have also been initiated.

(c) As a result of the various measures taken, the handloom sector, which provides employment to about 124 lakh persons engaged in weaving

and other allied activities, has been able to register a ten-fold increase in production of fabrics from a level of 500 million sq. metres in the early 50s to 7586 million Sq. metres in 2001-2002. This sector contributes to nearly 19% of the total cloth produced in the country. Exports of cotton handloom fabrics and made-ups which were of the value of Rs.1840 crore during the year 1997-98, increased to Rs.2065 crore during the year 2001-02. During the period April-July, 2002, exports were of Rs.851.93 crore as against Rs.667.53 crore during April-July, 2001.

So far as powerloom sector is concerned, it plays an important role in the economy of the country providing employment to about 417.9 lakh weavers. The number of powerlooms has grown to an estimated figure of 16.71 lakh as on 30.08.2002. This sector contributes to about 59% of the total cloth production in the country.

States engaged in Sericulture Cultivation and Silk Industry

2198. SHRI V.V. RAGHAVAN: Will the Minister of TEXTILES be pleased to state:

(a) the States engaged in Sericulture cultivation and silk industry;

(b) the quantities produced in each State during 1998-1999, 1999-2000, 2000-2001 and 2001-2002;

(c) the average price of 1 Kg. of silk during the years 1998-99, 1999-2000, 2000-2001 and 2001-2002;

(d) the steps being taken to ensure a remunerative price for the silk; and

(e) the steps taken to prevent dumping of silk in India?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) and (b) 5 traditional States *viz.* Andhra Pradesh, Jammu & Kashmir, Karnataka, Tamil Nadu and West Bengal and 22 Non-traditional States *viz.,* Assam, Arunachal Pradesh, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Haryana, Jharkhand, Kerala, Madhya Pradesh, Maharashtra, Manipur, Mizoram, Meghalaya, Nagaland, Orissa, Punjab, Rajasthan, Sikkim, Tripura, Uttaranchal and Uttar Pradesh are engaged in sericulture and silk industry. The State-wise production of raw silk (Mulberry & Non-mulberry) during the years 1998-99 to 2001-02 is given in the Statement (*See* below).